

Statement of the Honorable Ed Whitfield
Chairman, Subcommittee on Energy and Power
May 5, 2011

**Hearing on “The American Energy Initiative – Focus on Challenges and Opportunities for
Alternative Transportation Fuels and Vehicles”**

***** As Prepared for Delivery *****

I would like to call this hearing to order. This is our sixth of a multi-day hearing entitled “The American Energy Initiative.” With gasoline prices nearing \$4.00 a gallon amidst ongoing turmoil in the Middle East, it is especially timely that we look at alternatives to petroleum-derived fuels for the transportation sector. Efforts to diversify away from reliance on oil for our cars and trucks have been underway for a number of years, and the purpose of today’s hearing is to provide an overview of them. We need to know where we stand today, and where we would like to be in the years ahead as regards alternative fuels and vehicles.

Most notably, we now have more than 5 years of experience with the renewable fuels standard (RFS), which was first put into place in the 2005 energy bill and was expanded in the 2007 energy bill. The targets for 2011 call for 12.6 billion gallons of corn ethanol and additional amounts of other biofuels, such as cellulosic ethanol, biodiesel, and algae-based fuels.

I supported the RFS then, and I consider the program to be a success. But that is not to say that there isn’t room for improvement.

Again, I should stress that many aspects of the ethanol mandate are going well. For example, our domestic ethanol producers have met the challenge of producing much more corn ethanol than before the mandate, and the ethanol industry has created thousands of new jobs in recent years. These are domestic jobs producing domestic energy. Nonetheless, there are issues facing regulators as they translate the law into workable arrangements, as well as challenges facing refiners incorporating increasing amounts of ethanol into the existing supply chain.

Biofuels are but one of the alternative fuels and vehicles in the works. Vehicles that run on natural gas continue to make inroads, especially in the heavy duty sector. Propane vehicles are also seeing increased use. Progress continues on electric vehicles, and I should add that many other hearings before this subcommittee raised concerns about the sufficiency of future supplies of electricity in the face of a train wreck of regulations. We need to resolve these impediments to increased supplies of affordable electricity if we are to use more electricity in the transportation sector.

Coal-to-liquids is another possible non-petroleum source of transportation fuels. Coal is the energy source America possesses in greatest abundance, and our standard of living depends on it. A big part of the American Energy Initiative involves streamlining the regulations that threaten the continued use of the coal that provides affordable electricity for our homes and businesses. But we could also be using some of that coal to make fuel for our cars and trucks, and we should be doing all we can to explore the potential benefits of doing so.

Each alternative fuel and vehicle has its unique mix of attributes, and more than one will play a constructive role in the vehicles of the future.

However, there are obstacles to overcome before new fuels and vehicles can take significant market share away from petroleum. Not only must the alternative fuels and the vehicles be economically and technologically up to the task, but the fueling infrastructure must also be in place. As we are learning with ethanol, we can get there but it is not always easy.

The good news is that there are a host of alternatives that show promise and are the subject of federal research and development, tax incentives, and loan guarantees. But the fact that there have been so many false starts since the federal government first got involved in alternative fuels and vehicles in the 1970s, is a sobering reminder that we need to carefully review our efforts.

Developing cost effective alternatives will take time, and in no way should serve as a substitute for taking steps to reduce gasoline prices - we need to do both. For this reason, the American Energy Initiative will pursue efforts to unlock America's vast untapped oil potential along with efforts to use alternatives to oil.

There is no shortage of alternative fuels and vehicles that could catch on if gas prices continue to go through the roof. But we want to develop alternatives that could compete even if they don't. How to get there, and the proper role for the federal government, is the topic of today's hearing.

I now yield the balance of my time to Mr. Sullivan.